

Recently, Milestone Construction, the general contractor for the new Wheaton Volunteer Rescue Squad station, informed the Rescue Squad and Montgomery County it is ceasing operations at the end of 2013. The WVRS project is about 75% complete and the pace of the work had slowed over the last several weeks.

Milestone's notice follows pressure regarding Milestone's declining performance and complaints from subcontractors about non-payment. WVRS and DGS staff met with Milestone and its bonding company on July 3rd to discuss the advisability of calling the performance bond on the construction contract.

A performance bond for the full contract amount is in place for the construction to ensure that in the event of the contractor's default all work is completed at no additional cost. A contractor may be considered in default for any material breach, such as not aggressively performing the work. When the performance bond is called the bonding company becomes responsible for completing the work. In such cases, delay in completing the project is likely as the bonding company may decide to assign the work to other contractors. This can result in a period of several months when no work occurs on the project.

At the July 3rd meeting, the bonding company proposed to assist Milestone in completing the project. They will meet with the subcontractors to assure them of payment. The bonding company has also acquired the services of a management company to oversee the project. Milestone will prepare a revised project schedule to reflect re-engagement and acceleration of the work. These measures will ensure continuation of the work and avoid a potential shutdown that could occur if the bond is called. DGS and WVRS will meet with Milestone and the surety on July 18th to assess the effectiveness of this approach.